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September 30, 2010

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The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius:

On September 7, 2010, *The Wall Street Journal* reported that “Health insurers say they plan to raise premiums for some Americans as a direct result of the health overhaul.” We are, of course, all concerned about the effects of the law on health care costs [Affordable Care Act]. But we find your response to the announcement surprising and potentially inappropriate and write to request documentation proving your assertions.

Two days after *The Wall Street Journal* article, you sent a letter to Karen Ignagni, President of America’s Health Insurance Plans (AHIP), warning that “there will be zero tolerance for this type of misinformation and unjustified rate increases.” You also warned all insurers that you “want AHIP’s members to be put on notice: the Administration, in partnership with states, will not tolerate unjustified rate hikes in the name of consumer protections.” We fear that your letter is an effort to intimidate those who reveal the negative consequences of the law and an attempt to block actuarially sound premium increases, which would put all consumers at risk.

As you may know, this is not the first attempt to silence critics of the new health care law. Soon after its passage, several companies disclosed cost increases on their balance sheets as required by the law’s changes to retiree drug plans. The Democratic Majority on the Committee on Energy and Commerce immediately questioned these cost increases and demanded documents as proof. When those documents proved not only that the disclosures were required by law and valid, but also that the companies were each debating whether it even made sense to maintain their health plans in the future, the investigation was quietly shut down.

Your letter also concedes that reasonable experts conclude that the law would cause increased premiums. Indeed, your letter states that only “some industry and academic experts (emphasis added)” believe that premium increases would be minimal. Given that some experts

expect increased premiums, it is inappropriate for you to assert that those announced premium increases are "misinformation" or "unjustified" absent clear proof of wrongdoing.

Accordingly, please provide all written material you possess showing that the premium increases are unjustified or not actuarially sound. Furthermore, given the long-established authority of state insurance commissioners to remove unscrupulous insurers, reject actuarially unfounded increases, and protect consumers, please provide all documents or evidence in your possession showing that state insurance commissioners are unable or unwilling to protect consumers.

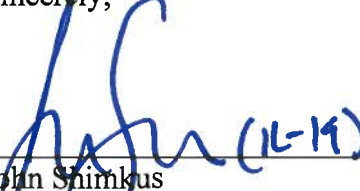
Finally, we also request that you provide a briefing to us as soon as possible. On September 10, 2010, we requested that Chairman Waxman invite you to testify to discuss your statement to ABC News Radio on August 30, 2010, that you had a "lot of reeducation to do" about the health care law. As you have not appeared before this Committee since the bill was signed into law six months ago, a briefing would at least allow us to discuss changes being made to every American's health care as soon as possible.

We look forward to your response.


Sincerely,



Joe Barton
Ranking Member



John Shimkus
Ranking Member
Subcommittee on Health



Michael C. Burgess
Ranking Member
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Chairman

The Honorable Frank Pallone, Jr., Chairman
Subcommittee on Health

The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigations